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March 11, 2010

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Re: Docket No. 2009-0108; In re Public Utilities Commission Instituting a Proceeding to Investigate Proposed Amendments to the Framework for Integrated Resource Planning

On the last day of the panel hearing, the commission and the parties discussed different ways to expedite resolution of this proceeding. Having considered and balanced the various interests, the commission has decided to issue inclinations on certain matters, in an effort to secure the just, speedy, and inexpensive determination of this proceeding. These inclinations, as the description suggests, are not binding on the commission or the parties; and are instead intended to inform the parties of the commission's preliminary view on those matters based on the record submitted in this docket to date, including the testimony received at the panel hearing. These inclinations are not inclusive of every issue raised at the hearing, and are intended to provide guidance to the parties as to the areas in which the commission desires additional briefing and to narrow certain issues as much as possible. The parties may argue against the commission's inclinations, but the commission directs that the parties, at minimum, consider the inclinations in any subsequent attempts to achieve consensus among the parties.

It is the commission's intent to resolve the framework issues, and issue a framework as soon as possible, so as to allow the utilities and interested parties to begin the actual planning processes. Accordingly, to the extent possible, the commission directs the parties to make every effort to achieve consensus among the parties and to file one framework document¹ that represents the parties' agreements. Where there is no consensus among the parties, the parties may file post-hearing briefs that flesh out those differences. As stated at the panel hearing, the commission requests that the parties provide an explanation of their differing positions and a detailed explanation of the party's position; rather than merely providing their proposed framework without any corresponding explanation to support the proposals set forth in the framework.

The commission is inclined to have the final framework include the following:

- The framework should include the concept of scenario planning.
- The framework should be a process-oriented framework that does not state substantive policy preferences apart from the obligation to comply with statutory mandates.
- The framework should not require the use of specific forecasting methods.

¹That framework document should include a redline version that depicts changes made to the 1992 IRP Framework.

- The framework should not retain the resource optimization provision of the 1992 IRP Framework.
- The framework should require an independent entity.
- The independent entity should be selected by the commission with input from the utility and others.
- The independent entity should be paid by the utility but will report to, take direction from and be accountable to the commission.
- The roles of the independent entity should include:
 - Chairing and developing the agendas for the advisory group meetings
 - Advising the commission on the status and substantive issues during the planning process
 - Certifying that the planning process was conducted consistent with the framework
 - Monitoring and reporting on utility performance during the planning process
 - Informally mediating disputes, but having no authority to resolve disputes
 - Providing quarterly written reports unless specified otherwise by the commission
- The advisory group should be selected by the commission pursuant to an open solicitation for members.
- The framework should contain an advisory group mission statement.
- The advisory group members may act as individuals with no requirement for group decision-making.
- The utility is not required to accept advisory group recommendations.
- The framework should not contain any waiver provision (general or specific).

In closing, the commission notes that it will not entertain any requests for clarification of the inclinations set forth above. If clarification is required, the parties should address the matter in their post-hearing briefs.

Sincerely,



Stacey Kawasaki Djou
Commission Counsel

SKD:laa

Enclosure

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